

REPORTS OF COMMITTEES

2. Committee of the Whole – July 13, 2017

6. Supplementary Material on Short-Term Rental Regulatory Framework

Motion:

It was moved by Councillor Isitt, seconded by Councillor Coleman, that Council refer this report and the attachments to staff, and request that the following provisions be considered for inclusion in the City of Victoria's regulatory and business licensing framework for Short-Term Rentals:

- One host = One listing;
- Proof of the host's identity and municipal address;
- Proof of a current police background check;
- Proof that the property is the host's principal/primary residence;
- Proof that the listed space is in a habitable room in the principal/primary residence;
- Proof that the host has sufficient insurance coverage;
- Proof that mortgage terms are not violated, if an owner;
- Proof that short-term rentals are consistent with the use of the strata lot in the host's land titles declaration, if a strata resident;
- Proof that the host's strata council rules permit short-term rentals, if a condominium resident;
- Proof that the listing does not violate existing zoning by-laws, building codes, fire codes and health and safety standards;
- Submission of site and floor plans accurately depicting the size and location of the existing dwelling;
- Submission of the number and location of the designated off and on-street parking spaces and the number of vehicles allowed for overnight guests, if applicable;
- Submission of a list of responsible contact persons;
- Submission of a list of all online platforms used to advertise the listing.

Carried

For: Councillors Alto, Coleman, Isitt, Loveday, and Thornton-Joe
Against: Councillor Young

REPORTS OF COMMITTEES

1. Committee of the Whole – June 15, 2017

5. Short Term Vacation Rentals – Regulatory Options

Motion:

It was moved by Councillor Isitt, seconded by Councillor Loveday, that Council direct staff to:

1. Limit short term rentals in Victoria to the greatest extent possible through appropriate language in the *Zoning Regulation Bylaw*, housing agreements, or other available tools to ensure that all new residential zoned units are used for the primary purpose of housing, rather than as short-term rentals (STR).
2. Bring forward a comprehensive scheme of business regulations for existing and future short term rentals. Such regulations may include:
 - a. requirements for a business licence for all short-term rentals
 - b. business licence fees
 - c. requirement that business activity comply with applicable strata rules
 - d. establishing appropriate rules for operation of short-term rentals.
3. Work with the BC Assessment Authority to ensure that properties used for short-term rental are properly assessed as Class 6- business and other and request the province to revise the regulations to facilitate appropriate assessment of properties used for transient accommodation.
4. Report back with a short-term rental enforcement strategy that will detail considerations for proactive enforcement of City-wide short-term rental including:
 - a. benefits and challenges of manual (staff led) enforcement vs. enlisting third party STR management assistance;
 - b. fines and escalatory action for non-compliance;
 - c. audit options to monitor adherence to rules and regulations;
 - d. engaging STR host platforms for regulatory cooperation;
 - e. additional policies, regulations, and programs to ensure compliance with regulations;
 - f. expediting the time frame for rolling out enforcement;
 - g. creating a dedicated short-term rental webpage for clarity and transparency regarding new regulations that outlines the City's progress on reducing short-term rental impact on long-term rental housing availability; and
 - h. establishing a monitoring system to evaluate success of short-term rental regulations and the Short-Term Rental Enforcement Strategy.

Carried Unanimously

REPORTS OF COMMITTEES

2. Committee of the Whole – June 15, 2017

6. Correcting the Zoning of Residential Strata Buildings in Downtown Victoria

Motion:

It was moved by Councillor Isitt, seconded by Councillor Loveday, that Council direct staff to:

1. Prepare bylaw amendments for first reading to correct the zoning of residential strata property in Downtown Victoria, removing transient accommodation as a permitted use;
2. Provide the following information to Council when the bylaw amendments are considered for first reading: (a) the number of buildings and units to which this change would apply; and (b) the resource requirements of initiating this change to the Zoning Regulation Bylaw; (c) legal non-conforming status;
3. Convene a public hearing as part of the rezoning process to provide members of the public, including owners of residential strata property in Downtown Victoria, with the opportunity to provide input to Council prior to final consideration of the bylaw amendments;
4. Invite residential strata councils to indicate to the City whether they consent by mutual agreement to amending Housing Agreements registered on title, to clarify that provisions barring strata councils from introducing bylaws restricting rentals shall apply only to rentals under the Residential Tenancy Act, and that strata councils shall have the authority to introduce bylaws restricting transient accommodation and short-term rentals.
5. Prepare these bylaw amendments for Council's consideration on a priority basis, reflecting the severity of the housing affordability and housing availability crisis in Victoria.

Carried

For: Councillors Alto, Coleman, Isitt, Loveday, and Thornton-Joe

Opposed: Councillor Young

REPORTS OF COMMITTEES

1. Committee of the Whole – March 2, 2017

1. Short Term Vacation Rental

Motion:

It was moved by Councillor Alto, seconded by Councillor Loveday:

Scenario 1: Entire condo with no transient zoning

1. That Council direct staff to proactively enforce current prohibition in zoning so Short-Term Vacation Rentals cease.
2. That staff report back to Council on options for permitting and enforcing limited, ancillary use of residential properties (in multi-unit and single-family dwellings, in all neighbourhoods in the city) by the occupants (owners or renters) for a limited number of maximum days in each calendar year for the commercial purpose of providing short-term vacation rentals.
3. Motion to refer to the February 16, 2016 Committee of the Whole meeting and invite comment from the BnB Association, the Hotel Association and other operator, industry representatives that want to provide comment:
That the City write to the province asking there be a repeal of Section 78(1)(b) of the Provincial Sales Tax exemption and refund regulation.

Scenario 2: Entire condo with transient zoning

Direct staff to provide advice on what tools are available to limit the number of Short-Term Vacation Rentals where they are currently allowed, and that this report includes the option of an "opt-in" mechanism for a City initiated rezoning to prohibit transient accommodation as a permitted use, where a majority of owners of units in a residential multi-unit building (condominium) downtown indicate their preference for this rezoning.

Scenario 3: 1-2 bedrooms within occupied condo

That Council direct staff to permit and proactively enforce through business license registration and tracking.

Scenario 4: Entire homes

That Council direct staff to proactively enforce current regulations so Short-Term Vacation Rentals cease.

Scenario 5: Entire secondary suites (including garden suites)

That Council direct staff to proactively enforce current regulations so Short-Term Vacation Rentals cease.

Scenario 6: 1 - 2 Bedrooms within occupied SFD

That Council direct staff to proactively enforce current zoning rights through business license registration and monitor use through business license tracking.

1. That Council receive the December 23, 2016 report to guide and inform the short-term vacation rentals workshop on January 19, 2017; and

2. That staff report back with policy, regulatory, and enforcement recommendations based on the workshop discussion.

Amendment:

It was moved by Councillor Loveday, seconded by Councillor Thornton-Joe, that Scenario 2 be amended as follows:

Scenario 2: Entire condo with transient zoning

Direct staff to provide advice on what tools are available to limit the number of Short-Term Vacation Rentals where they are currently allowed, and that this report includes **options for:**

- (a) a City-initiated rezoning to remove transient accommodation as a permitted use from residential strata property, with an "opt-out" process where stratas can apply to retain transient accommodation as a permitted use, where a majority of strata lot owners in a residential strata indicate their support for that use.**
- (b) a business license scheme for Short-Term Vacation Rentals that is consistent with the Strata Property Act and does not include granting licences for stratas that do not allow Short-Term Vacation Rentals in their bylaws.**
- (c) maintaining transient accommodation as a permitted use, with the option of an "opt-in" mechanism for a City initiated rezoning to prohibit transient accommodation as a permitted use, where a majority of owners of units in a residential multi-unit building (condominium) downtown indicate their preference for this rezoning.**

Council discussed the following:

- *That the amendment will allow for more available options and considerations.*

On the amendment:
Carried Unanimously

Amendment:

It was moved by Councillor Isitt, seconded by Councillor Loveday, that Scenario 2 be amended as by removing part c, as follows:

Scenario 2: Entire condo with transient zoning

Direct staff to provide advice on what tools are available to limit the number of Short-Term Vacation Rentals where they are currently allowed, and that this report includes options for:

- (a) a City-initiated rezoning to remove transient accommodation as a permitted use from residential strata property, with an "opt-out" process where stratas can apply to retain transient accommodation as a permitted use, where a majority of strata lot owners in a residential strata indicate their support for that use.**

(b) a business license scheme for Short-Term Vacation Rentals that is consistent with the Strata Property Act and does not include granting licences for stratas that do not allow Short-Term Vacation Rentals in their bylaws.

~~(c) maintaining transient accommodation as a permitted use, with the option of an "opt-in" mechanism for a City initiated rezoning to prohibit transient accommodation as a permitted use, where a majority of owners of units in a residential multi-unit building (condominium) downtown indicate their preference for this rezoning.~~

Council discussed the following:

- *Whether the amendment is necessary and whether it would allow for a more focused staff report.*

On the amendment:

Defeated

For: Councillor Isitt

Opposed: Councillors Alto, Coleman, Loveday, Thornton-Joe, and Young

Council discussed the following:

- *Whether a policy should be created to eliminate Short-Term Vacation Rentals in the interim.*

Amendment:

It was moved by Councillor Isitt, seconded by Councillor Loveday, that Council should adopt a policy that Short-Term Vacation Rentals should be eliminated to the greatest extent possible in strata buildings.

Motion to refer:

It was moved by Councillor Loveday, seconded by Councillor Coleman, that the amendment be referred back to the Committee of the Whole meeting when the staff report is presented.

On the motion to refer:

Defeated

For: Councillors Coleman, Loveday, and Young

Opposed: Councillors Alto, Isitt, and Thornton-Joe

Council discussed the following:

- *Whether a policy is necessary prior to receipt of the staff report.*

On the amendment:

Defeated

For: Councillors Isitt and Loveday

Opposed: Councillors Alto, Coleman, Thornton-Joe, and Young

Main motion as amended:

Scenario 1: Entire condo with no transient zoning

1. That Council direct staff to proactively enforce current prohibition in zoning so Short-Term Vacation Rentals cease.
2. That staff report back to Council on options for permitting and enforcing limited, ancillary use of residential properties (in multi-unit and single-family dwellings, in all neighbourhoods in the city) by the occupants (owners or renters) for a limited number of maximum days in each calendar year for the commercial purpose of providing short-term vacation rentals.
3. Motion to refer to the February 16, 2016 Committee of the Whole meeting and invite comment from the BnB Association, the Hotel Association and other operator, industry representatives that want to provide comment:
That the City write to the province asking there be a repeal of Section 78(1)(b) of the Provincial Sales Tax exemption and refund regulation.

Scenario 2: Entire condo with transient zoning

Direct staff to provide advice on what tools are available to limit the number of Short-Term Vacation Rentals where they are currently allowed, and that this report includes **options for:**

- (a) a City-initiated rezoning to remove transient accommodation as a permitted use from residential strata property, with an "opt-out" process where stratas can apply to retain transient accommodation as a permitted use, where a majority of strata lot owners in a residential strata indicate their support for that use.
- (b) a business license scheme for Short-Term Vacation Rentals that is consistent with the Strata Property Act and does not include granting licences for stratas that do not allow Short-Term Vacation Rentals in their bylaws.
- (c) maintaining transient accommodation as a permitted use, with the option of an "opt-in" mechanism for a City initiated rezoning to prohibit transient accommodation as a permitted use, where a majority of owners of units in a residential multi-unit building (condominium) downtown indicate their preference for this rezoning.

Scenario 3: 1-2 bedrooms within occupied condo

That Council direct staff to permit and proactively enforce through business license registration and tracking.

Scenario 4: Entire homes

That Council direct staff to proactively enforce current regulations so Short-Term Vacation Rentals cease.

Scenario 5: Entire secondary suites (including garden suites)

That Council direct staff to proactively enforce current regulations so Short-Term Vacation Rentals cease.

Scenario 6: 1 - 2 Bedrooms within occupied SFD

That Council direct staff to proactively enforce current zoning rights through business license registration and monitor use through business license tracking.

1. That Council receive the December 23, 2016 report to guide and inform the short-term vacation rentals workshop on January 19, 2017; and
2. That staff report back with policy, regulatory, and enforcement recommendations based on the workshop discussion.

On the main motion as amended:
Carried Unanimously

Council Meeting – March 9, 2017

REPORTS OF COMMITTEES

1. **Committee of the Whole – February 16, 2017**
2. **Short Term Vacation Rental – Motion to Refer from the January 26, 2017 Council Meeting**

Motion:

It was moved by Councillor Alto, seconded by Councillor Isitt, that the City write to the province asking there be a repeal of Section 78(1)(b) of the *Provincial Sales Tax Exemption and Refund Regulation*.

Carried Unanimously

Motion:

It was moved by Councillor Coleman, seconded by Councillor Thornton-Joe, that Council reconsider the motion on short-term vacation rentals.

Carried Unanimously

Motion:

It was moved by Councillor Isitt, seconded by Councillor Loveday, that Council refer the issue of short-term vacation rentals to the next Committee of the Whole Meeting.

Carried Unanimously

REPORTS OF COMMITTEES

1. Committee of the Whole – January 19, 2017

3. Workshop: Short Term Vacation Rental

Motion:

It was moved by Councillor Isitt, seconded by Councillor Loveday,

Scenario 1: Entire condo with no transient zoning

4. That Council direct staff to proactively enforce current prohibition in zoning so Short-Term Vacation Rentals cease.
5. That staff report back to Council on options for permitting and enforcing limited, ancillary use of residential properties (in multi-unit and single-family dwellings, in all neighbourhoods in the city) by the occupants (owners or renters) for a limited number of maximum days in each calendar year for the commercial purpose of providing short-term vacation rentals.

Scenario 2: Entire condo with transient zoning

1. That Council direct staff to maintain zoning rights and proactively enforce through business license registration; monitor use through business license tracking and review collected data and assess annually the need for potential rezoning.
2. That Council direct staff to introduce language in the Zoning Bylaw and/or Housing Agreements for all new developments (in Downtown and all City neighbourhoods) to ensure that new residential-zoned units are used for the primary purpose of housing, rather than short-term vacation rentals.
3. That staff be directed to contact the BC Assessment Authority, drawing the Authority's attention to the existence of properties within the City of Victoria being used primarily for the commercial purpose of providing short-term vacation rentals, which should properly be classified (and taxed) as Commercial properties, rather than Residential properties.

Scenario 3: 1-2 bedrooms within occupied condo

That Council direct staff to permit and proactively enforce through business license registration and tracking.

Scenario 4: Entire homes

That Council direct staff to proactively enforce current regulations so Short-Term Vacation Rentals cease.

Scenario 5: Entire secondary suites (including garden suites)

That Council direct staff to proactively enforce current regulations so Short-Term Vacation Rentals cease.

Scenario 6: 1 - 2 Bedrooms within occupied SFD

That Council direct staff to proactively enforce current zoning rights through business license registration and monitor use through business license tracking.

3. That Council receive the December 23, 2016 report to guide and inform the short-term vacation rentals workshop on January 19, 2017; and

4. That staff report back with policy, regulatory and enforcement recommendations based on the workshop discussion.

Carried Unanimously

Councillor Loveday withdrew from the meeting at 1:05 a.m. due to a potential pecuniary conflict of interest with the following item, due to his association with Tourism Victoria.

Motion:

Scenario 1: Entire condo with no transient zoning

6. Motion to refer to the February 16, 2016 Committee of the Whole meeting and invite comment from the BnB Association, the Hotel Association and other operator, industry representatives that want to provide comment:

That the City write to the province asking there be a repeal of Section 78(1)(b) of the Provincial Sales Tax exemption and refund regulation.

Council discussed the following:

- *Clarification on when a letter would be written to the provincial government.*

Carried Unanimously

REPORTS OF COMMITTEES

2. Committee of the Whole – January 5, 2017

3. Amendments to the Strategic Plan 2015-2018

c. Short Term Vacation Rentals

Motion:

It was moved by Councillor Thornton-Joe, seconded by Councillor Coleman, that Council approve the following amendment to the Strategic Plan 2015 – 2018

Objective 6: Make Victoria More Affordable

2017 ACTIONS:

Strengthen policy and regulations related to Short Term Vacation Rentals.

Carried Unanimously

REPORTS OF COMMITTEES

2. Committee of the Whole – October 27, 2016

4. Short-Term Vacation Rentals

It was moved by Councillor Coleman, seconded by Councillor Young, that this item be referred to a Committee of the Whole workshop in January 2017.

Amendment:

It was moved by Councillor Isitt, seconded by Councillor Alto, that the motion be amended as follows:

That this item be referred **back to staff to report back** to a Committee of the Whole workshop in January 2017.

Amendment to the amendment:

It was moved by Councillor Loveday, seconded by Councillor Isitt, that the amendment be amended as follows:

That this item be referred **back to staff to report back** to a Committee of the Whole workshop in January 2017, **and direct staff to highlight any applications coming forward that include transient accommodations.**

On the amendment to the amendment:

Carried Unanimously

Amendment to the amendment:

It was moved by Councillor Isitt, seconded by Councillor Alto, that the amendment be amended as follows:

That this item be referred **back to staff to report back** to a Committee of the Whole workshop in January 2017, **and no further residential land use applications will be considered until this review has been completed** ~~direct staff to highlight any applications coming forward that include transient accommodations.~~

The Chair ruled that the amendment to the amendment was out of order.

On the amendment:

Carried Unanimously

Main motion as amended:

That this item be referred back to staff to report back to a Committee of the Whole workshop in January 2017, and direct staff to highlight any applications coming forward that include transient accommodations.

On the main motion as amended:

Carried Unanimously

REPORTS OF COMMITTEES

3. Committee of the Whole – June 9, 2016

4. Short Term Vacation Rentals

It was moved by Councillor Thornton-Joe, seconded by Councillor Loveday,

1. That Council direct staff to develop options for policy guidelines and regulation of short term vacation rentals along with associated resource considerations and report to Council with recommendations by September 2016 to prohibit the use of units of property zoned as residential for the primary purpose of providing commercial accommodation.
2. That Council advise the Minister of Community Sport and Cultural Development that Provincial policies for Short Term Vacation Rentals should be consistent with other industry accommodation options in connection with Hotel Taxes and with designations of property class by BC Assessment Authority to reflect the commercial nature of the accommodation being provided based upon the extent of rental use.

Carried Unanimously

Council Meeting – June 9, 2016